NO MONEY TRUST, LAWYERS MORTGAGE CO. ISMORGAN REPLY

Banking Firm Says Pujo Committee Raises Merely a Bogey.

SITUATION FALSIFIED

to Worn Out Banking System.

Diffusion of Resources, Instead of Concentration in New York, Is Alleged Tendency.

WASHINGTON, Feb. 27.-J. P. Morgan & Co. to-day filed with the Pujo committee a brief in which they contend that the committee has failed absolutely in its effort to establish the existence of a money trust.

The Morgan brief questions the accuracy of statistics that have been introduced in evidence before the committee charges that false inferences have been drawn from them, and otherwise attacks the attitude of the investigators toward the financial problems of the

The New York banking firm contends that the present financial ills of the country are the result of a clumsy and outworn banking system rather than greatly prolonged and caused infinite disthe outcome of scheming on the part of any group of men. Not money trust legislation but a careful diagnosis of the entire banking system of the country is what is needed, according to the Morgan firm.

The text of the brief follows:

To Honorable A. P. Pujo, Chairman, Committee on Banking and Cur-rency, House of Representatives, Washington, D. C.

DEAR SIR: You have invited us to supplement the recent inquiry of your committee by presenting such considerations as may occur to you (us) bearing upon the question of concenand control of money and

in presenting such considerations we find it necessary to revert to the original preamble and House resolution No. 504. under which your committee acts, and at the outset to suggest that, in the main, the conditions described in the preamble and resolution, as possibly ex-isting and as calling for investigation and remedy, do not and cannot exist in this or in any other country. We would further, with the utmost respect, that a large part of the valuable time of your committee, in our belief, has been consumed in an endeavor to plece out a certain theory as to money and credit, which theory it will be impossible ever to demonstrate; for its establishment is and always will be preerated ever since the beginning of barter

We suggest to you that such ills-and and that to eradicate such fills at their source there is needed plated symptoms, but rather a careful diagnosis of our whole banking system other countries which for decades have distressed this country; and finally cooperation among all committees Congress which consider this subject, to the one end of wise and comprehensive -as contrasted with plecemeal-legisla-

In the following considerations, which we offer with respect and with an earnest desire to cooperate with your committee. we have not hesitated to quote from and comment upon the resolution under which your committee has acted, the language of that resolution in its assumptions being unprecedented as to call for especial examination. But again we must beg you to believe that the offered comment and suggestion are given with due respect and because of our profound conviction of the importance of the whole general

In the statement submitted to you at Davison of our firm we ventured to point to you that such "concentration" has taken place in New York and other financial centres has been due not the purposes and activities of men, t primarily to the operation of our antiquated banking system, which automatically compels interior banks to "con-centrate" in New York city hundreds of millions of reserve funds; and next, to economic laws which in every country centre and which draw to it in enormous volume investment funds for the develor industrial enterprises throughout the country.

Supply and Demand the Factor.

Just as grain and cotton and manu- and perilous and is daily becoming more factures are commodities subject to the perilous to the public welfare." unchanging laws of supply and demand, so in the same way money and credits are commodities subject to the same un varying laws, but far more intensely; for while bulky merchandise is not always immediately transferable upon demand, oney and credits are so liquid as to be It follows therefore that such centration" as exists in New York banking system already alluded to) is due simply to the flow of demand and supply. Internationally likewise when the demand for money and credit in Europe of these 180 men. But such an implica-

We lay especial stress upon this point of economic rule for the reason that not only the resolution (H. Res. 504) under transactions, vote always for the same which your committee acts but many policies and control with united purpose questions to witnesses indicated a belief the directorates of the 132 corporations that for their own selfish ends certain demand (which operate an world) and in establishing new economic laws. We venture to point out that since the beginning of organized industry and comes more apparent when one considers that on the average these directors repturies in England, France and Germany and 100 years in America, men never and 100 years in Ame leading men of business in the chief cities

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Country's Financial Ills Due storegulate the interest create prejudice throughout the country among many citizens, who fail to reflect among many citizens, who fail to reflect that the factors which determine inter-CREDIT IS NOT CONTROLLED est rates are not local in their source, but are worldwide, being determined and— owing to the freedom of international exchange—being regulated by the average demand for credit throughout the world's noney markets. If any one man or troup of men had the ability and re-ources—which they have not—to withhold credits in any one market like New York, the situation would ordinarily be promptly relieved by the automatic inflow of credits from some altogether foreign source. The factor which intensified the distressful conditions in October, 1997. was that all the world's markets were, and—during a year previous—had been suffering from an excessive shortage of money which, as has many times been pointed out by economic observers here money which, as has many times been pointed out by economic observers here and abroad, was because of extraordinary business "booms" in this country, Great Britain and Germany, as well as adventitious and enormous wastes of capital such as had been caused by the San Francisco fire and the Russo-Japanese war. In countries other than the United States the stress of October, 1907, due to high money rates and financial disturbance, was relieved by the operation of banking systems devised by experience turbance, was relieved by the operation of banking systems devised by experience to cope with precisely such conditions whereas in this country, owing to its weak such banking system, acute disturbance was as the

The Panie of 1907.

Our hesitation to describe in such de tail these obvious causes for the panic of your associate counsel upon his retirement from your service and from other similar statements that in large measure the panic of 1907 was actually due to the machinations of certain power-ful men. We regret that a belief so incredible, so abhorrent and so harmful to the country should for a moment have found lodgment anywhere. And we welcome your invitation as an opportunity for us to state that, to the extent of our observation and experience, there is not even a vestige of truth in the idea that in whole or in any part the financial convulsion of 1907 was brought on through the design of any man or men.

No one will deny that men frequently are selfish, ambitious and reckless, but

possessing even a fraction of the influ-ence and resources attributed to them al-ways are the ones holding the largest amounts of fixed investments which, by disturbed financial conditions, always suffer most severely. It is a fact that those individuals, private bankers and they are neither few nor trifling—as are existent in this country's financial affairs are the outcome of a clumsy and outworn banking systm rather than of the schemes of men; and that to cradient by the severe shrinkers in this country is a severe shrinkers.

was raging and when security prices countries. The largest bank in New were at their lowest, to hold any con-siderable amount of liquid resources in-ing to only three-fifths of the resources variably devoted such resources to the of the largest bank in England, to only aid of the weaker members of the com-munity and deliberately refrained from est bank in France, and to less than onemunity and deliberately refrained from est bank in France, and to less than one-putting their funds into low priced se. lifth of the resources of the largest bank curities for the purposes of profit.

It has often been observed that Mr. in New York city there are only three banks with resources in excess of \$200,the efforts to "compose" the panic of 000,000, while there are ten such insti-1907. Such aid as he was able to render tutions in London, five in Berlin and to the situation in New York at that time was due, we believe, simply to his ability in securing the prompt cooperation of many divergent minds which resented strong, independent banks.

cies. | development of American business. If we have dwelt with more cir. dreds of the financial transactions of

perilous to the public welfare." Fallacions Statistics Presented.

For the maintenance of such an impossible economic theory there have been spread before your committee elaborate tables of so-called interlocking di-rectorates from which exceedingly mistaken inferences have been publicly drawn. In these tables it is shown that 180 bankers and bank directors serve it is implied that this vast aggregate of exceeds that in America gold is drawn tion rests solely upon the untenable theory by export from New York to the other that these men, living in different parts of the 'country, in many cases personally unacquainted with each other, and in for their own selfish ends certain on which they serve. The testimony or a group of them, have succeeded failed to establish any concerted policy

Still dwelling upon this subject, we re-fer to the language of the preamble unwarranted inference, to which has been which reads: "Whereas it has been fur-given wide publicity, that the vast sum ther charged and is generally believed of \$25,000,000,000 was in cash or liquid

form subject to the selfish use or abuse of individuals. Such an idea excites the public mind to demand the correction of a fancied situation which does not

of a fancied situation which does not and, in our belief, never can exist.

In like manner an endeavor has been made to show, not by means of exact statistics which alone can tell the story, but rather through disjointed testimony obtained in the shape of replies to hypothetical questions, that New York is far outstripping the rest of the country in comparative banking resources. Precisely the contrary is the case. The reports of the Comptroller of the Currency show not only that there has been no such tendency here but that for some time New York's proportion of the country in the country of the co such tendency here but that for some time New York's proportion of the country's banking capital and resources has been declining. The banking resources of forty-one other States have increased since 1900 more rapidly than they have in New York State; and, whereas in 1900 New York State; and, whereas in 1900 New York State; and, whereas in 1900 New York State; and, whereas of the United States, now, as pointed out in Mr. Davison's statement, they represuggestion of a novel economic theory, the publication of which cannot fail to create prejudice throughout the country and greater diffusion of American bankand greater diffusion of American ing is illustrated further by the fact that between 1900 and 1912 the number of in-dependent banks in the country has, acdependent banks in the country has, according to the best reports obtainable, increased from 10,378 to 25,160, or by more than 140 per cent, while the population increased by less than 25 per cent in the same period. Here is complete evidence of a tendency operating to-day toward the decentralization of banking facilities. banking facilities.

Incomplete and Misleading Figures

Other evidence was adduced before our committee from which the inference was sought to be drawn that dur-ing the autumn, when interest rates on "call" loans in New York are likely to be high, interior banks were in the habit of withholding money from their local customers, who needed it for agriculsuch interior funds almost invraiably fall as the autumn rates rise. At every such season New York institutions lend. as they ought equitably to do, large sums to their interior correspondents for crop moving and other purposes. For instance as to the season just past, the amount of money being loaned as of November 15, 1912, to outside institutions by the eight largest New York banks tail these obvious causes for the panic of 1997 has been overcome only by reason of the extraordinary statement in the Congressional resolution above quoted and by the report to us that an appreciable portion of the community has a processing the calculation of \$80.00.000. come to believe, from this statement, from to you and to the public figures which the authorized interview given out by one in their deductions, were absolutely inomplete and incorrect.

In offering to you such criticisms as we have upon the incompleteness of certain features of the testimony laid before you we once more beg that you will not consider us as lacking in respect to your committee or as out of harmony with its desires to experience. narmony with its desires to examine cer tain features which, as to the financial development of this country, have at-tracted widespread attention. We readily concur with you that many highly legitimate subjects of value to the pub-lic interest have been developed. One of these, to which we call particular attention, has been the steady growth in the size of banks through consolidation or increase of capital. Such growth in the size of banks in New York and Chicago are sense, amortions and frequency in order to sustain the theory that the panic of 1907 was "engineered," one must attribute to the "engineers" not only centration," whereas as we have hithmust attribute to the "engineers" not only the power but some motive for their assumed achievements. And by no process of reasoning can such motive be imagined, because of the fact that the men possessing even a fraction of the influinstitution (with the same rese been frequent, especially since January 1, 1908.

Demand for Larger Banks

These mergers, however, are a development due simply to the demand for larger banking facilities to care for

Not Equal to Country's Needs. It is also perhaps not sufficiently

resented strong, independent banks. The same kind of service always is to be commanded in this country's emergen-banks have not fully kept pace with the development of American business. Hundered cumstance than perhaps your judgment day are so large that no single bank approves upon these features of the pre-amble, it is because we believe that the them. This is especially true with re-whole framework and language of the spect to the great public utilities which that no single bank Congressional resolution under which you are essential for the development and are acting implies a conception impossible in sound theory, and wholly im-largest banks are seldom able separately possible in sound theory, and wholly impossible in practice; such theory being that a comparatively small group of men, takings require, no one national bank chiefly centred in New York city, can and do obtain such complete mastery over the financial machinery of one hundred millions of independent people that they have power to cause this whole country threalculable distress, or as the resolution. have power to cause this whole country incalculable distress, or as the resolution are now obliged to borrow annually sums puts it: "have wielded a power over the business, commerce, credits and finances of the country that is despotic must grow to keep pace with this demand. Yet as to this natural development, the causes for which it is of vital interest to he whole country to realize clearly, many of the inquiries directed to your witnesses minds of an interested public a doubt as to whether, after all, this effort by banks to keep pace with growing business were not a scheme of a designing group of mea, building up enormous institutions in order 180 bankers and bank directors serve tion No. 594) to augment their times upon the boards of corporations having groups of individuals") "power over the resources aggregating \$25,000,000,000, and it is implied that this vast aggregate of &c." We submit for your consideration tion No. 504) "to augment their" ("these the opinion that, if time had served you, far more adequate information, including instructive statistics, might have been

Great Issues to Be Financed. Likewise, with respect to the tendency cooperation among banks, noted espe cially since the panic of 1907, we believe ends certain on which and the stablish any concerted poney supply and it over the new economic. The absurdity of the lesson which banks in all large of the lesson which banks in all large cities then learned that for self-preservative could not, as is possible in other that further statistics of interest on this point can be made available, such facts rector has full control in every organism. There are not a few rail-tion with which he is connected and that the majority of directors who are not "interlocking" are mere figureheads, subthe majority of directors who are not "interlocking" are mere figureheads, subject to the will of a small minority of their boards.

Perhaps the greatest harm in the presentation referred to lay in the further unwarranted inference, to which has been given wide publicity, that the vast sum of \$25,000,000,000,000 was in cash or liquid of \$25,000,000,000,000 was in cash or liquid of \$25,000,000,000,000 was in cash or liquid of such support, in the calls for a single.

The colisting of such support, in the sharehold-given to the capital stock. With phivate banks, however, the liability for altimate success great enterprises depend at time total private means of each partner of property valued at \$22,000 and he did not mention her.

commitment on the part of bankers of \$126,000,000. So that if transactions of such magnitude are to be carried on the country obviously requires not only the larger individual banks but demands also that those banks shall cooperate to perform efficiently the country's business. A step backward along this line would mean a halt in industrial progress that would affect every wageearner from the Atlantic to the Pacific

Cooperation Necessary.

We lay perhaps especial stress upon this point because of what seemed to us a readiness upon the part of your com-mittee to adopt the idea that in such cooperation by bankers there lies the germ of something sinister and dangerous and that, to quote once more from House Resolution No. 504, such cooperation has been developed to the extent that "these groups of individuals" can "prevent competition with the enterprises in which they are interested, to the detriment of interstate commerce and of the general

Nothing else certainly could be to an investigation like that of your committee than an inquiry as to whether, through any means exerted by banks or bankers, interstate commerce is being restrained. But as establishing or even suggesting such a contention, we have been able to find no testimony whatever upon the records of your committee. If any such evidence is able we believe it important that it should be produced. So far as our observation and experience go we can make the positive statement that except under unfavorable money market conditions we have never heard of any responsible and deserving individual firm or corporation being unable to secure ample credit.

The House resolution No 554 includes

The House resolution No. 504, including its preamble, contains no less than five separate references to the possible "prevention," "suppression," elimination or absorption of "competition," through the activities of certain individuals. Wide publicity has been given to this resolution under whose authority your com mittee has acted, and in the absence of any proof whatsoever to support the be-lief that there has been a suppression of corporate competition we venture to hope that this idea, most insidious and harmful in its effect upon the mind of the country at large, will in your report be definitely dispelled. In a matter of such great moment to the prejudices of our citizens we suggest, with great respect that a positive statement from your com-mittee that no evidence has been admittee that no evidence has been ad-duced on this vital question should be given publicity as wide as that received

Responsibility of Bankers.

Testimony, on the other hand, going to show not a suppression but a develop, ment of trade throughout the country might have been of value, as exhibiting a natural explanation of many of the financial practices which your committee has questioned. Many questions were asked as to the wisdom in having representatives of private banking houses sit upon the boards of corporations whose securities the same bankers frequently. sit upon the boards of corporations whose securities the same bankers frequently offer for sale. This practice which has been in vogue abroad, ever since the creation of limited companies, has arisen not from a decise on the same and the same and the same arises are same as the same are same arises are same as the same arises are same arise rom a desire on the part of the banker to manage the daily affairs of the cor-poration or to purchase its securities more cheaply than he otherwise could, but rather because of his moral respon-sibility as sponsor for the corporation's securities to keep an eye upon its policies and to protect the interests of investors in the securities of that corpora-tion. For a private banker to sit upon such a directorate is in most instances a duty, not a privilege. Inquiry will readily develop the fact that the mem-bers of the leading banking houses in this ountry-and it was the leading houses only against which animadversions were directed—are besought continually to act as directors in various corporations whose securities they may handle, and that in general they enter only those boards which the opinion of the investing public requires them to enter, as an evidence of good faith that they are willing to of good faith that they are willing to have their names publicly associated with

the management. Yet before your committee this natural and eminently desirable relationship was de to appear almost smister, and no testimony whatever was adduced to show the actual working of such relationships. It is easy to overlook the fact that practically all the railroad and industrial deby the severe shrinkage in security val-by the severe shrinkage in security val-ues, such losses—as the public records our cities double and treble in size and velopment of this country has taken place will in many cases show—running into many millions of dollars. It is impossible, therefore, to imagine a motive on natural, but it is necessary that our opportunities provided by these houses many liminors of domains a motive on sible, therefore, to imagine a motive on the part of such persons as would lead to a campaign of self-destruction.

Who the Heaviest Losers Were.

Furthermore, our observation was that such individuals and corporations as were fortunate enough, when the panic was raging and when security prices was raging and when security prices.

Institutions should grow in order to care for the increased demands put upon them. Perhaps it is not known as well as it should be that in New York city the largest banks are far inferior in size to banks, in the commercial capitals of other and much smaller countries. The largest bank in New Wheat farms of the West and affording wheat farms of the West and affording employment to thousands of workmen. employment to thousands of workmen desires to obtain \$100,000,000 for purposes of still further development it goes to me great banking house or institution market for its securities. bankers make expert investigation of the property, agree to buy the bonds and thus to make possible a great and important development two or three thousand miles away. Next the banking sand miles away. Next the banking house serves the investing community. Thousands of investors are seeking sound securities for their savings. They have neither the knowledge nor the opportunity for investigating a great railre terprise. They look to a banking house to perform those functions and to give its stamp of approval to that railroad's s curities. In this manner the banking house fulfills a double duty to the com-

How Securities Are Handled.

Another line of your inquiry, certainly pertinent to the general subject, was as to whether "the marketing of the securities that from time to time have been issued by interstate railroads and in-dustrial corporations has been by com. petitive bidding or otherwise. This ques-tion is of such importance that there must be general regret that the time of your committee did not serve for the exhaustive study of the subject which you un-doubtedly desired, including testimony from enough diverse sources to show you the exact situation. On this matter we are pleased to submit certain considera-tions which, we are confident, are borne-out by the facts: First, in general and out by the facts: First, in general and over a period of time, the sale of such securities is invariably subject to the competition of market conditions. We have not heard of an instance where any corporation failed to secure the benefit of a price for its issues as excellent as conditions at the time warranted. Second, in most of the leading commercial States Public Service Commissions pass with great care upon the prices at which the securities of all transportation and public utility corporations are sold. Third, competitive bidding, in the sense of havng railroad and industrial securities of fered practically at public auction as in the case of municipal securities, is sel-dom or never practised. The reasons against such practice are

plain. Such corporate issues have neither the security, the steadiness nor the general confidence possessed by municipal bonds, and while in good times it is possible that they might be subscribed for at public auction, in bad times there would be no one to bid for them. It is practically inconceivable that a municipality should go bankrupt and make permanent default of its obligations. permanent default of its obligations. Quite otherwise is the case with railroad or industrial corporations. Should these latter appeal directly to the proverbially timid investor there can be little queston that in times of stress support would be totally lacking. We should have the spectacle of numberless corporations failing for lack banking support. for lack of strong financial or

"Plough deep, while Sluggards sleep, And you shall have corn to eat and to keep." -John Ploughman.

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Today, February 28, is the last day of the February Furniture Sale at the John Wanamaker Store-ending the most successful February Sale we

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terior organization, frequently goes on the tocks for fallure to obtain broad and strong financial guidance. Any man undertaking to build a cotton mill, perfectly taries. Then came in, though not with appointed with modern machinery and out great public opposition, the plan of creating hopking a tock convergations with technical skill, who should rely upon obterminal skill, who should rely upon ob-taining the necessary funds by a public appeal to investors would be deemed reckless. Yet such a principle is pre-cisely that involved in the suggestion that

corporations should refrain from making financial arrangements and should rely upon securing their money from the offer of their securities at public auction. Furthermore, as has been hitherto pointed out in this memorandum, a large factor which inspires confidence in the investor and leads him to purchase some specific security is the knowledge that banking houses of good standing have investigated have underwritten or have invested in it.

Financial Advisers a Requisite. Still another consideration inducing

is that frequently such corporations are

obliged to undertake operations of such magnitude and complexity over a series years that they must invoke uninerruptedly the best financial advice unin-ainable. An operation like that of the Pennsylvania and the Long Island Railroads in tunnelling respectively the Hud-son and the East rivers and building an enormous terminal in the heart of New York involved the expenditure of say, \$200,000,000, and, from inception to com-pletion occupied the best part of a decade. The unwisdom of embarking upon such a development and of relying through good times and bad, panic periods and otherwise, upon the sale of \$200 .-000,000 bonds by auction to the public, could hardly be characterized, even if it were conceivable. Another example might be mentioned in the irrigation enter-prises of the West. It is estimated that there has been expended in such development not less than \$200,000,000. How development have gone, how far would those regions have been opened to agriculture, had dependence for obtaining that great sum been placed upon the nearby communities, or even (by means of public auction) upon investors in New York or Chicago who vestors in New York or Chicago who know little of the safetly of such inestments? Persons who decry the close and the great transportation and industrial businesses fail to perceive that, as individuals require the advice of law-yers and physicians, so great enterprises in this country would not be a menace if it lay in evil hands. Such an inquiry answers itself. All power, physicians require financial diagnosticians who can require financial diagnosticians who can give counsel as to the world's investment markets, as to what form of securities is best adaptable for any given time as give counsel as to the world's investment to what financial policy for the corporation is best calculated to command the confidence and the steady support of the

present to be noted in America, finds represent to be noted in America, finds re-peated expression in the preamble and resolution to the effect that financial groups have "control over the afore." groups have "control over the afore- in him or them by the community, Every groups have "control over the alore said railroads, industrial corporations, and moneyed institutions, etc"; that such an influence is exerted powerfully over facturers, lawyers and bankers) to repair facturers, lawyers and bankers) to repair facturers. stitutions, and that such influence is executed primarily for the benefit of the individuals. Persons that accept such a belief must fail to realize that no corporation could long survive if the operations of the corporation and the freedom of its officers were interfered with such neavy responsibilities because of the confidence which their records have established, and only so long as their records are unblemished do they retain such trusts. of its officers were interfered with by directors desiring to serve selfish interests. The success of an enterprise depends largely upon the ability and the ability of the succession of the su ests. The success of an enterprise depends largely upon the ability and zeal of its officers exerted independently of any interest except that of the enterprise itself. Any attempt by directors working to their own ends would result either the culture of the community is the breath from which it draws its life. The past is full of examples where the slightest suspicion as to the conservatism, or the the ruining of the business, were the floers to yield up their independence;

Private Bankers as Depositories.

A distinction which one line of your quiry sought to establish was that as inquiry sought to establish was that as to the relative safety of banks and bank, but which, being restrictive in their nature, are likely so to hedge about the puries on this point, although purely tentative and without attempt to cite any verely the country's development records which might bear upon the subtures in our present situation perhaps to the wisdom of permitting corporations to select, as depositaries for their funds, private bankers as well as banks. This themselves disappear; and that this countries of less grave concern to the is a matter of less grave concern to the public than many points having to do with the fundamental character of our banking laws, and our opinions on this particular topic are likely to be accepted. with considerable reserve. Yet it may from those periodic financial disturbances be of value to inquire whether experience which bring misfortune to rich and poor offers any data going to show that in-offers any data going to show that in-dike and, except for which, these United States to-day undoubtedly would be in enjoyment of a political and national in structure or in practice more impreg-nable from failure than private banks. Incorporated banks possess, from the de-nositor's point of view, such safeguards as are extended by existing methods of

taries. Then came in, though not with-out great public opposition, the plan of creating banks as stock corporations with the very purpose of limiting the risks of the owners of these banking corporation

Unlimited Liability a Safeguard.

Strong as such institutions have proved to be, it may be said with some reason that the common law which requires that if any private banking house is forced to suspend the private fortune of every member of that firm shall be utterly swept away before a depositor suffers the loss of a penny is unquestionably a fac-tor tending toward prudent and conserva-tive management. In face of the available records showing a consideras the result of the 1907 panic we can recall no instance whatever of the similar suspension of any private banking house arge corporations to appoint fiscal agents handling corporate deposits.

In view of these facts we submit that in this matter it would be wise to secure evidence from all large cities bearthe report recommends, first, that the present statute, known as the Sherposing any law the effect of which automatically might be to deprive interstate corporations from exercising their best judgment as to where they may prudently more effectual control and regulation of interstate. which, it has reason to believe, can return that credit upon demand, why should vide for the organization under act he law not be invoked to prevent it extending merchandise credit of similar

amount to some solvent customer? The Force of Public Opinion.

is the depositors, are the ones who entrust bankers with such influence and ilized land, and the public is unlikely to entrust htat power to weak or evil hands. one phase o fa far different feeling at fairs to a set of clever rogues. The

cion as to the conservatism, or the methods of a bank's management, has destroyed confidence and drawn away its or in the prompt resignation of such or in the p sound banking system, we venture to question the wisdom of engrafting upon such new system many special provisions. ct, left the impression that you doubted ing system firmly established many fea-

most idle to repeat. They apply to all

TO CONTROL TRUSTS

Cummins Committee Would Retain Sherman Act as a Fundamental.

WASHINGTON, Feb. 27 .- The Senate ommittee on Interstate Commerce today adopted a report on a programme of changes in the Federal laws relating able number of suspensions among in-corporated institutions in New York city tions engaged in interstate commerce. The report was drafted by Senator Cummins of Iowa. It is based upon the testimony of 103 persons who were examined by the committee on the subject last year.

The report recommends, first, that extend credit. In essence, if a corporation is to be prohibited from extending a credit of \$100,000 to a banking house which it has reason to believe can resary nor desirable at this time to pro-Congress of industrial corporations which propose to engage in commerce among the States and with foreign nations; third, that it is desirable As the final point of this memorandum impose upon corporations organized unwe venture to submit the consideration that in a strong public opinion, such as exists in this country, there lies the greatest safeguard of the community, always assuming that Congress will evolve affecting both the organizations and the a basic system of banking which is scientific and sound, as at the present time ours admittedly is not. The public, that The public, that sons, copartnerships, associations, &c., now engaged or hereafter engaging in such commerce.

If such additional legislation was to be enacted, it says, it is desirable to ac-Your counsel asked more than one wit-ness whether the present power held by the better administration of the law and menace if it lay in evil hands. Such an inquiry answers itself. All power, physmission, it is argued is needed even though no supplemental legislation is enacted. It suggests that the bureau more complete and accurate knowledge of the organization, management and practices of corporations and so forth

ERUPTION SPREAD OVER CHEEK

Like Pimples. Then on Other Cheek. Disfigured Face Very Badly. Used Cuticura Soap and Ointment. Perfectly Well. Not Troubled Since.

24 Commercial Ave., New Brunswick, N. 'My baby's face was a flery red and was rough and scaly-like. It was caused by a 6

finger-nail scratch under the eye. The scratch cut deeply and soon after an eruption appeared like pimples and soon spread over the cheek and around the eye and then started on the other cheek. It disfigur face very badly while to lasted. He lost quite some sleep from the ec-zema until I sent for a sample of Cuticura Oint-

ment and Scap and he was greatly improved and could sleep much better. I first washed him with real warm water with the Cuticura Soap, then applied the Outlours Ointment, I bought just one box of Cutteura Ointment and some Cuticura Soap and he was perfectly well and he has not been troubled (Signed) Mrs. William Stevens, June 14, 1912.

No other emollients do so much for pimples, blackheads, red, rough and oily skins, itching, scaly scalps, dry, thin and falling hair, chapped hands and shapeless nails as do Cuticura Soap and Ointment. They do even more for skin-tortured infants and children. Although sold throughout the world; a liberal sample of each will be mailed free, with 32-p. Skin Book. Address post-card 'Cuticura, Dept. T. Boston."

AT Tender-faced men should use Outles Seap Shaving Stick, 25c. Sample free.